

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7295

BILL NUMBER: SB 551

NOTE PREPARED: Jan 12, 2011

BILL AMENDED:

SUBJECT: Public employees' defined contribution plan.

FIRST AUTHOR: Sen. Waltz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☐ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: Pending

Summary of Legislation: Requires the board of trustees (board) of the public employees' retirement fund (PERF) and the Indiana state teachers' retirement fund (TRF) to establish, for individuals who, after June 30, 2011, become full-time employees of the state, a participating political subdivision, or a school corporation, a defined contribution plan (plan) using the PERF and TRF annuity savings accounts, or as a separate fund. Requires the board to establish the alternative investment programs within the PERF and TRF annuity savings accounts as the initial alternative investment programs for the plan. Requires the board to include a stable value fund as an investment option. Requires that each plan member, as a condition of employment, make an annual contribution equal to 3% of the member's compensation. Requires a plan member's employer to make an annual contribution in an amount determined by the rules of the board, with a minimum contribution of 3% of the member's compensation. Allows withdrawals at the earliest date, and requires withdrawals at the latest date, permitted by the Internal Revenue Service. Requires that a withdrawal amount be paid as a lump sum, a direct rollover to another eligible retirement plan, or a monthly annuity purchased by the board. Requires the general assembly to appropriate an amount sufficient to fund the required contributions.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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